SUPREME COURT, U. S.
FILED
MAY 26 1971
E. ROBERT SEAVER, CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1970

No. 1593

SOCIETE INDUSTRIES MECHANIQUES ALLIES,

Petitioner,

VS.

**HONORABLE OREN R. LEWIS,
UNITED STATES DISTRICT JUDGE
FOR THE EASTERN DISTRICT OF VIRGINIA,
ALEXANDRIA DIVISION, AND
DEERING MILLIKEN RESEARCH CORPORATION,**

Respondents.

PETITIONER'S REPLY BRIEF IN RESPONSE TO ANSWERING BRIEF OF RESPONDENT DEERING MILLIKEN RESEARCH CORPORATION TO PETITION FOR A WRIT OF CERTIORARI

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Petitioner respectfully invites the Court's attention to the recent Ninth Circuit Court of Appeals decision in *Kockum Industries, Inc.* v. *Brunette Machine Works, Ltd.*, No. 24105, (Annex A, infra) on the same venue question as involved here. The *Kockum* case, decided April

20, 1971, was not available at the time the instant Petition was filed. Petitioner also replies herein to certain erroneous statements of fact and to arguments first raised in the answering brief of respondent Deering Milliken Research Corporation.

1. CERTIORARI SHOULD BE GRANTED IN VIEW OF THE REAL AND GROWING CONFLICT AMONG THE CIRCUITS ON PATENT VENUE AS TO ALIEN DEFENDANTS.

Conflict among the circuits is a well established ground for granting certiorari in patent cases, e.g. *Blonder-Tongue Laboratories, Inc.* v. *University of Illinois Foundation,* decided May 3, 1971, where this Court recognized the severe and unequal financial burden imposed upon a defendant in such litigation. Review has been granted to resolve the uncertainties of a conflict on patent venue questions, *Fourco Glass Co.* v. *Transmirra Corp.,* 353 U.S. 222 (1957), and on questions in the administration of the Federal Rules of Civil Procedure, *La Buy* v. *Howes Leather Co.,* 352 U.S. 249, 251 (1957).

Expansion of the conflict throughout the country on patent venue as to alien defendants has been underscored by the recent *Kockum*(*) decision of the Ninth Circuit Court of Appeals, supra. In that case, the District Court dismissed a patent infringement action against an alien defendant on the ground of improper venue, holding that the governing statute is 28 U.S.C. §1400(b).

(*) Counsel for petitioner have received a communication from the attorneys representing the defendant in the *Kockum* case indicating that a Petition for a Writ of Certiorari to the Ninth Circuit is to be brought in this Court (Annex B).

The Court of Appeals reversed, specifically declining to follow the decision of the Seventh Circuit Court of Appeals in *Coulter Electronics, Inc.* v. *A.B. Lars Ljungberg & Co.*, 376 F. 2d 743 (7th Cir. 1967), cert. den., 389 U.S. 859 (1967), and holding instead that the general venue statute, 28 U.S.C. §1391(d), overrides the special venue statute, 28 U.S.C. §1400(b), in the case of an alien defendant charged with patent infringement.

2. THERE IS NO INFRINGEMENT OF A UNITED STATES PATENT FOR WHICH REDRESS IN THE COURTS IS REQUIRED.

Respondent, Deering Milliken Research Corporation, asserts in its Brief at pages 3-4 that it claims infringement of its patents by reason of petitioner's alleged selling of accused machines "in the United States through its agent, the individual co-defendant." There is, however, no statement of any fact of a sale of the accused machines in the United States.

This respondent further asserts in its Brief at page 4 that petitioner admits "to having received orders for those machines at those [United States] trade shows." This is not correct. As stated at page 8 of the Petition, no orders were taken for the accused machines. Respondent has misstated the record.

The answering respondent then contends in its Brief at page 12 that it is left without redress against petitioner if petitioner can not be sued in any district. On the contrary, respondent Deering Milliken is not without redress for the reason that Congress has specifically legislated in this area providing a specific remedy, namely, an exclusion order under Section 337 of the Tariff

Act of 1930 (19 U.S.C. 1337). Respondent and the courts below would by judicial legislation provide a second remedy even though Congress has shown an awareness of the problem and provided relief to the extent deemed appropriate.

3. MANDAMUS IS AN APPROPRIATE REMEDY FOR SUBSTANTIAL THRESHOLD QUESTIONS IN CIVIL CASES SUCH AS THOSE PRESENTED HERE.

At pages 4-7 of its Brief, respondent Deering Milliken seeks to delay review of the patent venue question at this time and thereby force petitioner first to undertake the expense of patent litigation if it can afford to do so. This imposition of expense is a form of patent enforcement not intended by the Patent Statutes. *Blonder-Tongue Laboratories, Inc.* v. *University of Illinois Foundation,* ..... U.S. ..... (May 3, 1971). The argument that review by way of a writ of mandamus will open the door to interlocutory appeals, not only overlooks the enforcement of patents by economic burden but also overlooks the distinction between the right of the lower court to proceed in the first instance and questions arising after that right is established.

The patent venue provisions relate to both the economic burden and the initial right of the court to proceed. As this Court noted in *Schnell* v. *Peter Eckrich & Sons, Inc.,* 365 U.S. 260, 264 (1961), " 'the requirement of venue is specific and unambiguous; it is not one of those vague principles which, in the interest of some overriding policy, is to be given a 'liberal' construction' ", (citing *Olberding* v. *Illinois Central Railroad Co.,* 346 U.S. 338).

Respondent's reliance on this Court's decisions in *Will* v. *U. S.,* 389 U.S. 90 (1967) and *Roche* v. *Evaporated Milk*

Association, 319 U.S. 21 (1943), to strike down interlocutory review in all cases by way of a writ of mandamus is misplaced. Those cases are criminal cases in which a policy against piecemeal appeals takes on added significance, and which were distinguished by this Court in *Will* v. *U .S.* at 389 U.S. 100 from other decisions in civil cases. Indeed, contrary to the implication at page 5 of respondent's Brief, the Court of Appeals for the Fourth Circuit did not cite *Will* v. *U. S.* or any other decision in denying the present petition for a writ of mandamus.

It does not appear that respondent's suggested restriction on the use of a writ of mandamus has ever been accepted. In *Hoffman* v. *Blaski et al.,* 363 U.S. 335 (1960), this Court granted interlocutory review of procedural questions on petition for writ of mandamus where, as in the present case, threshold questions determinative of whether or not an action would lie were in conflict among the various circuits. Similarly, in *La Buy* v. *Howes Leather Co.,* 352 U.S. 249 (1957), the use of a writ of mandamus for policing compliance with procedural rules in civil cases was approved.

The instant case presents not only special circumstances, but most unusual circumstances, which justify review by this Court. The courts below, in defiance of the holdings by this Court in three prior decisions, have disregarded its rule of law that the special patent venue statute, 28 U.S.C. 1400(b) is controlling in *all* patent infringement actions and is not modified by the provisions of the general venue statute. *Pure Oil Co.* v. *Suarez,* 384 U.S. 202, 206 (1966). By their divergence and conflicting decisions, the courts below have judicially cre-

ated still another venue provision in which patent infringement actions may be brought against aliens in some districts but not in others. Such an aberration of the patent venue statute should not be permitted to stand. Either the anti-competitive burden of a patent infringement suit should apply equally to aliens throughout the country or it should be relegated to its proper place as pronounced by the Court of Appeals for the Seventh Circuit in *Coulter, supra.*

4. THE CONSTITUTIONAL ISSUE IS FAIRLY COMPRISED WITHIN THE QUESTIONS BEFORE THE COURT.

Respondent Deering Milliken further asserts at page 11 of its Brief that the constitutional issue is "spurious" and not properly raised before this Court, citing *Shelley* v. *Kraemer,* 334 U.S. 1, 8-9 (1948). The rationale of that case was, however, directed to situations where the appellant seeks review by certiorari on the basis of the constitutional question *per se.* In the instant case, review by this Court is sought on the basis of the growing conflict among circuit courts of appeal on the important venue question noted above. In the *Schnell* and *Coulter* cases, *supra,* it was recognized that supplementing the special patent venue statute with the general venue statute, as the courts below would do, amounts to judicial legislation. It is petitioner's position that this raises a constitutional issue, fairly comprised within the questions presented, and clearly reviewable herein by this Court.

CONCLUSION.

For the reasons set forth above and in the Petition, certiorari should be granted.

Respectfully submitted,

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May 25, 1971

UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

KOCKUM INDUSTRIES, INC.,
Plaintiff-Appellant,

v.

BRUNETTE MACHINE WORKS LTD.,
Defendant-Appellee.

No. 24,105

[April 20, 1971]

Appeal from the United States District Court
For the District of Oregon

Before: DUNIWAY and CARTER, Circuit Judges, and GRAY, District Judge*

PER CURIAM:

The appellant brought a patent infringement action in the United States District Court in Oregon against the appellee, a corporation whose principal place of business is in British Columbia, where it was formed. The appellee successfully moved for dismissal of the action on the ground of improper venue, and this appeal followed.

The court below presumably agreed with the appellee that the governing statute is 28 U.S.C. § 1400(b), which provides that "Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business." Inasmuch as the appellee neither "resides" in Oregon nor has "a regular and established place of business" there, § 1400(b) does not establish venue in that district.

*Honorable William P. Gray, United States District Judge, Central District of California, sitting by designation.

ANNEX A

However, the appellant relies upon 28 U.S.C. § 1391(d), which states that "An alien may be sued in any district."

This very same issue as to which of the two statutes is applicable in patent infringement actions against aliens, was presented in *Chas. Pfizer & Co. v. Laboratori Pro-Ter Prodotti Therapeutici*, 278 F. Supp. 148 (S.D. N.Y. 1967). Judge Mansfield there ruled that 28 U.S.C. § 1391(d) controls. We agree with that decision and with the carefully reasoned opinion upon which it is based.

We are mindful of the decision in *Coulter Electronics, Inc. v. A. B. Lars Ljungberg & Co.*, 376 F.2d 743 (7th Cir. 1967), *cert. denied*, 389 U.S. 859, 88 S.Ct. 103, 19 L.Ed.2d 124 (1967), as was Judge Mansfield, but we decline to follow it, for the same reasons as those stated in *Pfizer* and in *SCM Corporation v. Brother International Corporation*, 316 F. Supp. 1328 (S.D. N.Y. 1970).

Accordingly, the order of the district court dismissing the action here concerned is reversed and the case remanded for further proceedings.

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Dear Mr. Muskal:

Thank you for providing us with a copy of your petition for certiorari in S.I.M.A. v. Lewis.

We represent defendant in Kockum Industries v. Brunette Machine Works, Ltd. and in that case on April 20, 1971, the Court of Appeals for the 9th Circuit held that § 1391(d) rather than § 1400(b) of Title 28 USC was controlling in the case of an alien defendant in a patent infringement case. The 9th Circuit expressly declined to follow the prior contrary decision of the 7th Circuit in Coulter Electronics, Inc. v. A. B. Lars Ljungberg & Co., 376 F2d 743.

In view of the direct conflict between these decisions, we have been authorized by Brunette Machine Works to file a petition for certiorari. It is our intention to do so promptly and hope that the Supreme Court will resolve this conflict between the various circuit courts of appeals.

Very truly yours,

J. Pierre Kolisch

JPK:elt

cc: Brunette Machine Works

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ANNEX B